

# Expanding Adult Health Coverage in Santa Clara County

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# Outline

- Overview of Working Partnerships' Health Care Work
- The Problem: A Growing Number of Uninsured Working Adults
- The Uninsured Population in Santa Clara County
- Solution: Three Share Health Coverage Program
- Healthy Workers
- Employer and Employee Premiums
- Why Should Cities Care?
- Benefits to Cities
- Next Steps

# Overview of Working Partnerships USA

- Working Partnerships' focus on health care:
  - Providing incentives for employers to offer health insurance
  - Decreasing the uninsured in Santa Clara County
  - Protecting the public safety net
- Experience: leader in the creation of the Children's Health Initiative:
  - First universal health care program for all kids in the nation
  - Over 120,000 children have enrolled in Santa Clara County since 2001
  - 16 other counties in CA have implemented similar programs



# The Problem

- More working adults are becoming uninsured
- Low and middle income adults are the most at risk of losing health care coverage from their employer over the next five years
- The Santa Clara Valley Health and Hospital System (SCVHHS) is under increasing financial pressure
  - FY 2007-08 budget deficit: \$238 million

# The Uninsured Population in Santa Clara County

- Total number of uninsured adults below 300% of the Federal Poverty Level: 108,000
  - 57,000 are employed
- 70% or 41,000 of the working uninsured are employed in businesses with less than 50 workers

Target  
Population  
41,000

300% of Federal Poverty Level = \$30,000/yr for an individual

# Solution: Three Share Health Coverage Program (Healthy Workers)

- **Goal:**

- Decrease the number of uninsured adults in Santa Clara County
- Strengthen the Santa Clara Valley Health and Hospital System
- Provide an affordable health care option for small businesses

## **Proposal: Three Share Health Coverage Program (Healthy Workers)**

- Create a voluntary employer-based health plan that employers and workers can buy into at an affordable premium
- The plan would provide comprehensive benefits
- Public/ Private provider network: Valley Medical Center, county and community clinics and private providers that contract with the county

# Healthy Workers

- Eligibility:
  - Workers who earn \$16/hr or below, are between 18-64 years of age and live in Santa Clara County.
  - Small businesses that employ between 2-50 workers, are located in Santa Clara County and do not offer health coverage to their employees.
- Benefits:
  - Benefits will include: inpatient, outpatient, prescription drugs, emergency, specialty care. Dental and vision will be excluded.

# Healthy Workers Premiums

- Healthy Workers assumes that at least three parties will contribute to the cost of health coverage
- Estimated premiums for employers and employees based on employer focus groups and survey research:
  - Employer contribution: \$130/ month
  - Employee contribution: \$50/ month
- Third party: Santa Clara Valley Health and Hospital System would provide health services at a discounted rate.

Target cost to  
worker: \$50

Target cost to  
employer: \$130



# Why Should Cities Care?

- County health care cuts result in an additional burden to cities
- Small businesses are struggling to provide health coverage to their workers
- Uninsured residents live in every community in the county
- A new health care option for small businesses could be incorporated into a local economic development strategy

# Benefits to Cities

- Competitive Advantage
- A new benefit for small businesses
  - Tax deductible
  - Retain employees
  - Cost of Healthy Workers is 50% less than other comparable plans
- Cities can play an active role in helping market and outreach to eligible employers
- Local funds can provide lower employer premiums to generate higher participation

# Next Steps for the Healthy Workers Program

- Secure approval from the Board of Supervisors
- Work with cities to identify successful economic development strategies
- Outreach to small employers and uninsured working adults
- Follow statewide health care proposals